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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

II. ASIA-AFRICA

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Lebanon: Tension in Beirut has been evidenced by recent incidents of violence between Moslem and Christian groups. While responsible leaders of both communities publicly deplore these incidents, the Christian element in particular may attempt to take matters into its own hands. 25X1

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Nyasaland: African nationalist disorders continue despite the government's stringent administrative and police efforts and its threat to use economic penalties. The isolated demonstrations have become more violent since Hastings Banda's deportation to Southern Rhodesia. More than 30 Africans have been killed by security forces. According to a defense ministry announcement in London, British troops in Kenya are standing by for action in the federation if necessary.

The nationalist effort to free Nyasaland from the settler-dominated Rhodesian federation is receiving increasing propaganda support from UAR and Communist broadcasts as well as from African groups in Ghana and the Union of South Africa.

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ok
Cyprus: A Greek Cypriot spokesman and confidant of Archbishop Makarios has approached the American consul in Nicosia on the "new republic's" need for economic aid. The Cypriot spokesman insisted that the gap which will be left by the sharp reduction of the British military establishment must be filled by foreign assistance. He also argued that only this would prevent economic deterioration which could be exploited by the sizable Communist element. Requests for aid will undoubtedly be made; the British garrison is expected to be reduced gradually from 30,000 to 5,000. [redacted]
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Cambodia: The government has announced that dissident General Dap Chhuon made "important revelations" before dying of wounds inflicted during his capture by government troops on 3 March. Whether or not any "confession" was made, the announcement indicates Premier Sihanouk intends to gain as much propaganda advantage as possible from South Vietnamese, Thai, and implied US complicity in Chhuon's plot. [redacted]

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III. THE WEST

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France-NATO: The French permanent representative to NATO officially informed Secretary General Spaak and the other permanent representatives on 6 March that France is withdrawing its Mediterranean Fleet from NATO. [redacted]

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ok Austria: The breakup of the Austrian coalition on 6 March and the decision to call general elections in early May are the culmination of months of increasing dissension between the conservative People's party and the moderate Socialists. The elections are expected to be hotly contested between the two parties, which have jointly governed Austria since 1945, and the post-election reconstitution of the coalition may be more difficult than after previous elections. [redacted]

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DAILY BRIEF

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II. ASIA-AFRICA

The Lebanese Situation

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[The continued Moslem-Christian tension, which erupted in violent rioting in Beirut on 22 and 27 February, has brought Lebanon to the point where another incident could cause wide-spread civil disorders. The recent murder of three Christians may lead to reprisals by the Christian community unless the government promptly prosecutes the culprits.]

[Members of the extreme Moslem Najjada and the "Popular Resistance," [redacted] are likely to create additional incidents which will further inflame the populace and might break up the cabinet. The Christian Phalange, whose leader Pierre Jumayyil is a member of the four-man cabinet, may feel obliged to retaliate. Former President Chamoun, still the acknowledged leader of the Christians in time of crisis, is probably seeking to exploit the situation, and his political enemy, Minister of Interior Edde, is likely to lose stature.]

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[President Shihab has endeavored to shift responsibility for the security situation to the cabinet, but the cabinet's sectarian balance (2 Moslems and 2 Christians) may force him to make decisions he would like to avoid.]

[While the Lebanese security forces are numerically strong enough to suppress any disorders, they are divided along the same religious lines as the rest of the country. Despite President Shihab's belief that a "reorganization" of the security forces is the solution to the critical threat to internal security, it is doubtful that any amount of "reorganization" would create the will among security personnel to carry out vigorous action against their co-religionists.] [redacted]

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Cyprus Economic Problems

Zenon Rossides, a Greek Cypriot spokesman and economic confidant of Archbishop Makarios, has approached the American consulate general in Nicosia on the "new republic's" need for substantial economic aid. Citing the planned reduction of British forces from almost 30,000 to about 5,000 men and the expected departure of a large percentage of the British community, Rossides stated it was "imperative" to fill the gap which would be created by the sharp reduction in British military and civilian spending. Rossides called for large-scale capital from "governmental" sources for such projects as road building, irrigation projects, and tourist facilities.

Without substantial foreign aid, the Cypriot economy is incapable of maintaining the relatively high standard of living of the past several years. World prices for copper and agricultural products--Cyprus' chief exports--are falling, and unemployment has been increasing as Britain has slowed construction of military bases. The island's chronic balance-of-payments deficit--upwards of \$20,000,000--formerly has been met by British aid.

A sharp decline in Cypriot living standards following British withdrawal would probably strengthen the island's Communist element.



Cambodia Claims Dap Chhuon Made "Revelations"

The Cambodian Government announced that the dissident General Dap Chhuon was fatally wounded on 3 March while attempting to flee into Thailand, and had made "important revelations" before dying.

The announcement, whether or not Chhuon made any "confession," indicates Premier Sihanouk's intent to extract as much political and propaganda advantage as possible from external complicity in Chhuon's plot to overthrow him. Sihanouk has already publicly accused South Vietnam and, to a lesser degree, Thailand as co-conspirators, and has implied his suspicions that the US is also involved. He may hope to hold the purported confession as a club to extract maximum Western support for his position as undisputed Cambodian ruler, or to justify closer relations later with the Sino-Soviet bloc

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III. THE WEST

Austrian Coalition Collapses

The decision of Chancellor Raab's conservative People's party to force the reluctant Socialists into general elections in early May is the culmination of months of increasing friction between the two parties which have governed Austria since 1945. For a variety of reasons, including differences over economic policies and personality conflicts, relations between the two parties have steadily worsened since the presidential elections of 1957. A previous agreement advanced to October 1959 the elections due in 1960, but Raab apparently now has been convinced there is no possibility of maintaining a workable government until that time.

Reconstitution of the coalition after the elections may be more difficult than ever before, especially if the results significantly alter the present balance between the two major parties. Both have tended recently to harp on historic issues which divide them; there have been signs of public dissatisfaction with the corruption which has developed during the coalition's long tenure; and the People's party in particular has been impatient with its long association with the Socialists. In view of the virtual civil war which prevailed between the Catholic and Socialist parties in Austria between World War I and II, many observers fear that failure to re-establish the coalition could result in a seriously unstable situation.

There are no major differences on foreign policy between the coalition parties, both of which are strongly pro-Western, and Austria's military neutrality is not likely to be a campaign issue. The Socialists may, however, question the reliability of Raab, who has been accused of "flirting" with the Soviet Union on a number of occasions.

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